

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2447 - SB 2593

February 25, 2018

SUMMARY OF BILL: Establishes the Teacher in Residency Grant with the Department of Education (DOE) for universities and their partnering local education agencies (LEAs) to help fund teacher residents, teacher leaders, teacher leader team members, and a teacher residency program in general. Requires the DOE to preference certain applicants that: (1) form partnerships between university teacher preparation programs and LEAs with schools in which more than ten percent of the students are eligible for Tier III assistance under response to instruction and intervention (RTI²); (2) gradually integrate teacher residents into RTI²; (3) seek to implement the teacher residency program in 20 to 30 percent of the LEA's schools that meet certain requirements; (4) focus on the creation of a school implemented team-based leadership model in support of the school's students and the teacher residency program; and (5) employ two or more teacher residents in each participating school. Authorizes the DOE to preference applicants which: (1) focus on providing teachers for areas of high need such as science, mathematics, foreign languages, English as a second language, and special education; and (2) focus on recruiting a diverse body of teacher residents who reflect the diversity of the LEA's students as to race, ethnicity, and national origin.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$2,250,000/Teacher Residency Grant Fund

Increase State Expenditures –

Exceeds \$2,367,100/General Fund

Exceeds \$2,250,000/Teacher Residency Grant Fund

Increase Local Revenue – Exceeds \$2,250,000/Permissive

Increase Local Expenditures – Exceeds \$2,250,000/Permissive

Assumptions for DOE Expenditures:

- The DOE will need an additional education consultant with salary, benefits, and overhead estimated to be \$97,076 (\$73,872 salary + \$19,510 benefits + \$3,694)

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overhead), as well as a part-time administrative assistant with salary, FICA and overhead estimated to be \$20,021 (\$17,772 salary + \$1,360 FICA + \$889 overhead).

- The total recurring increase in state expenditures is estimated to be \$117,097 (\$97,076 + \$20,021).

Assumptions Related to Grant Fund and Residency Program:

- If given a grant, the participating university must partner with an LEA.
- LEA participation is permissive.
- Stipends or other payments made to teacher residents and teacher leaders will generate from the grant.
- The teacher preparation program will provide the payment for the teacher residents, while the teacher leaders and team member payments will come through the LEA.
- At least 100 teacher residents statewide will participate in the program and receive funding, and at least 50 teacher leaders and team members will participate in the program.
- Each stipend to teacher residents will be at least \$20,000 and each stipend to teacher leaders and teachers working with residents in teams will be at least \$5,000.
- Universities and their partnering LEAs may incur additional overhead and administrative costs outside of the grant funding.
- Total recurring stipends are estimated to exceed \$2,250,000 [(\$20,000 x 100 teachers) + (\$5,000 x 50)].
- This will require a recurring increase in state expenditures through appropriations from the General Fund exceeding \$2,250,000. There will be a corresponding recurring increase in state revenue to the Teacher Residency Grant Fund (TRGF) estimated to exceed \$2,250,000, from which these funds will be paid resulting in a subsequent recurring increase in state expenditures from the TRGF estimated to exceed \$2,250,000.
- The teacher residency program will continue beyond the initial three years as authorized by the legislation.

Assumptions for Total State and Local Impact:

- The total recurring increase in state expenditures from the General Fund is estimated to exceed \$2,367,097 (\$2,250,000 + \$117,097).
- The total recurring increase in state revenue to the TRGF, and the corresponding recurring increase in state expenditures from the TRGF, are each estimated to exceed \$2,250,000 (\$2,000,000 + \$250,000).
- There will be a recurring permissive increase in local revenue and a corresponding recurring permissive increase in local expenditures each exceeding \$2,250,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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